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Volume 5

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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
December 1960

Number 5

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY DECEMBER 1960

The Chattanooga Order Minimum uniform producer price is \$4.84 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During December 77.3% of the total producer milk was priced in Class I at \$5.29 per cwt. with a butterfat differential of 8.0 cents and 22.7% was priced in Class II at \$3.50 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 77.9% and 63.8% respectively.

The daily average delivery of producer milk during December decreased 3.3% compared with November and increased 8.0% compared with December 1959. The daily average use of Class I milk decreased 2.5% compared with November and decreased 1.5% compared with December 1959.

MILK SAMPLES TESTED - Composite 32 - Producer Fresh 6,016 - Finished Products 250.

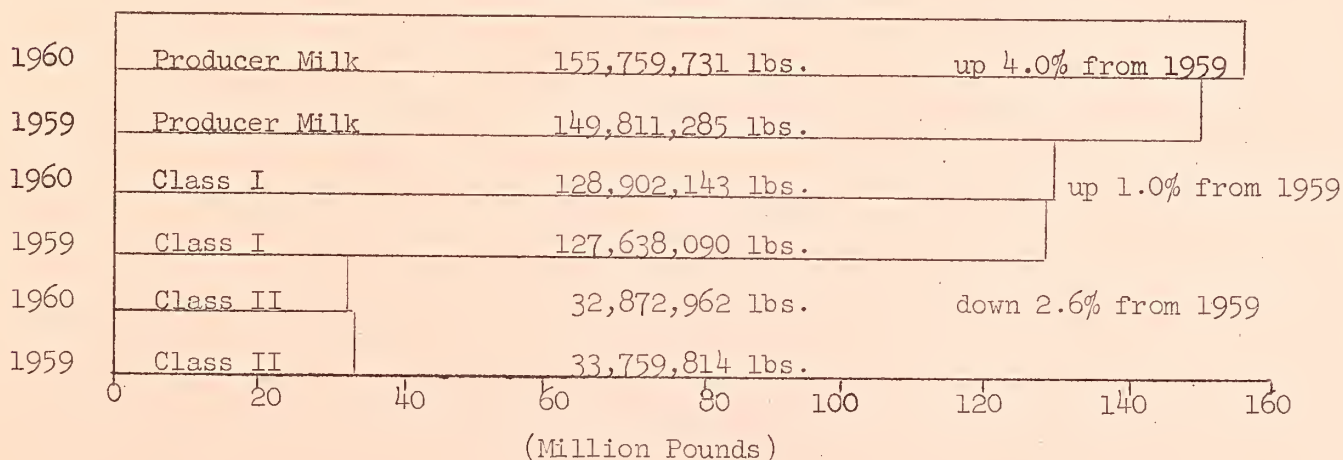
NUMBER OF FARM PAYROLL ACCOUNTS

	1959	1960											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Can*	198	185	178	167	164	162	157	152	141	130	105	82	20
Tank	515	528	526	534	538	535	538	538	559	577	597	617	673
Total	713	713	704	701	702	697	695	690	700	707	702	699	693
New	3	5	1	0	3	0	2	3	17	21	6	4	2
Quit	6	5	10	3	2	5	4	8	7	14	11	7	8

* Effective January 1, 1961 all but three (3) producers were using farm bulk tanks.

MILK BASES - 1961 - The milk bases established during September 1960 - January 1961 will be announced before March 1, 1961. Base transfer requests must be written and sent to the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Dec. '60</u>	<u>Nov. '60</u>	<u>Dec. '59</u>
Number of Plants (Pool and Non-Pool)	19	18	19
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	10,236	39,319	85,683
Producer Milk - Bulk Tank	<u>431,406</u>	<u>417,483</u>	<u>323,407</u>
Total Producer Milk Pounds	441,642	456,802	409,090
% Dec. '60 compared with:	100.0	96.7	108.0
Other Source Milk Pounds	13,387	10,912	8,735
Other Order Milk Pounds	<u>7,735</u>	<u>5,636</u>	<u>5,940</u>
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>462,764</u>	<u>473,350</u>	<u>423,765</u>
% Dec. '60 compared with:	100.0	97.8	109.2
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	292,194	298,490	290,624
Buttermilk	38,619	37,772	38,460
Chocolate Milk	6,788	7,966	6,830
Fluid Skim	9,762	9,752	10,454
Fluid Creams	2,803	2,521	2,618
Bulk to Non-Handlers	573	757	4,237
Class I Shrinkage	1,489	1,499	1,145
Inventory Reclassification	(3,639)	(1,091)	(516)
Overstated Sales	-	-	-
Total Class I Milk	<u>348,589</u>	<u>357,666</u>	<u>353,852</u>
% Dec. '60 compared with:	100.0	97.5	98.5
Class II Milk Pounds (Used to Produce)			
Butter	5,733	11,136	5,193
Cottage Cheese	11,931	13,441	11,767
Powdered and Condensed Milk	-	34,009	29,131
Ice Cream	14,644	17,610	12,403
Inventory Variation	(3,118)	(876)	(2,570)
Other	<u>84,985</u>	<u>40,364</u>	<u>13,989</u>
Total Class II Milk	<u>114,175</u>	<u>115,684</u>	<u>69,913</u>
% Dec. '60 compared with:	100.0	98.7	163.3
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>462,764</u>	<u>473,350</u>	<u>423,765</u>
% Producer Milk of Gross Class I	126.7	127.7	115.6
% Producer Skim of Gross Class I Skim	125.6	126.6	114.6
% Producer Butterfat of Gross Class I Butterfat	155.7	157.8	141.7
% Producer Milk Priced in Class I	77.3	76.8	85.3

DECEMBER 1960 TOTAL CLASS I UNIT SALES BY 15 POOL AND 4 NON-POOL PLANTS

	<u>GALS.</u>	<u>$\frac{1}{2}$ GALS.</u>	<u>QUARTS</u>	<u>PINTS</u>	<u>$\frac{1}{2}$ PINTS</u>	<u>PRODUCT LBS. $\frac{1}{2}$</u>
Standard Milk	*	*	24,155	-	-	127,469
Homo Milk	193,756	1,182,770	506,810	294,740	1,435,994	8,930,546
Skim Milk	4,692	4,690	110,896	-	*	302,632
Buttermilk	7,163	158,879	199,224	14,613	15,580	1,197,195
Flavored Milk	-	*	33,833	84,233	89,979	210,419
Cream ($\frac{1}{2}$ & $\frac{1}{2}$)	*	-	4,330	24,252	*	35,388
Light Cream (X)	-	-	6,570	-	7,805	17,895
Heavy Cream (XX)	*	-	1,938	-	35,602	23,112
Sour Cream	218	-	-	*	15,728	10,511

* Units omitted - Distributed by less than three handlers.

$\frac{1}{2}$ Distribution out of the three-county marketing area by the 15 pool plants was 30.9% of the above total packaged product pounds.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR DECEMBER 1960

Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,806,266	3.639		
Less Other Source		222,672	1.209		
Producer Milk Class I	77.3	10,583,594	3.689994	\$5.041995	\$533,624.28
Gross Class II		3,539,407	6.565		
Less Other Source		432,114	2.504		
Producer Milk Class II	22.7	3,107,293	7.129904	5.690933	176,833.96
TOTAL PROD. (Cl. I + Cl. II)	100.0	13,690,887	4.470718		710,458.24
Add Fractional Adjustment					.03
Add Compensatory Payment Value		84,164		0.45	378.74
Add Overage Value					-
Add Inventory Reclassification Value					392.71
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,176.47
TOTAL VALUE AT TEST		13,690,887	4.470718		717,406.19
Less Test Over 4% @ 7.6¢ per point		13,690,887	.470718	0.357746	48,978.60
TOTAL VALUE AT 4.0%		13,690,887	4.0	4.882281	668,427.59
Less Producer-Settlement Fund Reserve		13,690,887		0.042281	5,788.64
UNIFORM PRICE f.o.b. POOL PLANT - 4%		13,690,887	4.0	\$4.84	\$662,638.95

DECEMBER 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.08	3.6	\$4.536	4.2	\$4.992	4.8	\$5.448	5.4	\$5.904
3.05	4.118	3.65	4.574	4.25	5.03	4.85	5.486	5.45	5.942
3.1	4.156	3.7	4.612	4.3	5.068	4.9	5.524	5.5	5.98
3.15	4.194	3.75	4.65	4.35	5.106	4.95	5.562	5.55	6.018
3.2	4.232	3.8	4.688	4.4	5.144	5.0	5.60	5.6	6.056
3.25	4.27	3.85	4.726	4.45	5.182	5.05	5.638	5.65	6.094
3.3	4.308	3.9	4.764	4.5	5.22	5.1	5.676	5.7	6.132
3.35	4.346	3.95	4.802	4.55	5.258	5.15	5.714	5.75	6.17
3.4	4.384	4.0	4.84	4.6	5.296	5.2	5.752	5.8	6.208
3.45	4.422	4.05	4.878	4.65	5.334	5.25	5.79	5.85	6.246
3.5	4.46	4.1	4.916	4.7	5.372	5.3	5.828	5.9	6.284
3.55	4.498	4.15	4.954	4.75	5.41	5.35	5.866	5.95	6.322

JANUARY 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Jan. '61	Dec. '60	Jan. '60
Basic Formula (See page 4)	\$3.82	\$3.78	\$3.57
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.14)	(0.24)	0.02
Class I Price, 4.0% Butterfat	\$5.43	\$5.29	\$5.34
Per \$ 1000.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: November and December

Supply: Lbs. Producer Milk (Nov. 13,704,065 and Dec. 13,690,887) 27,394,952

Demand: Lbs. Net Class I Milk (Nov. 10,618,688 and Dec. 10,779,642) 21,398,330

Utilization Percentage: Producer milk divided by Class I 128

Standard Utilization Percentage: Range 117-121 121

Net Deviation Percentage: Utilization minus Standard Utilization plus 7

Supply-Demand Adjustment: 2 cents x 7 percentage points minus \$0.14

Since the supply in relation to the demand is more than the desired standard, the price is decreased 14 cents per hundredweight (2 cents x 7 percentage points).

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec. '59	\$5.12	-	-	8.0¢	\$5.48	8.3¢	\$3.57	7.1¢
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 ^{2/}	\$5.18	\$3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 ^{2/}	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 ^{2/}	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 ^{2/}	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 ^{2/}	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	-	-	-	-	5.43	7.9	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	
Dec. '59	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}					Number of Hdlr.Prod.	Deliveries Per Farm--Pounds			Prod. Milk Test%
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.		Prod.	Base	Exc.	
Dec. '59	353,852	349,128	409,090	-	423,765	19 713	574	-	-	4.45
Jan. '60	356,801	352,832	418,023	-	428,334	19 713	586	-	-	4.41
Feb.	365,338	358,744	411,790	-	428,440	19 704	585	-	-	4.39
Mar.	364,784	360,301	388,659	369,056	412,314	19 701	554	526	28	4.43
Apr.	364,048	359,098	443,554	393,065	457,996	19 702	632	560	72	4.19
May	336,344	331,632	444,101	390,950	461,097	19 697	637	561	76	4.16
June	327,515	322,519	390,059	360,248	406,662	19 695	561	518	43	4.11
July	326,948	322,517	391,607	354,529	408,773	19 690	568	514	54	4.06
Aug.	336,177	331,283	406,516	-	425,003	19 700	581	-	-	4.07
Sept.	386,280	381,037	453,783	-	464,957	18 707	642	-	-	4.12
Oct.	357,521	352,291	460,803	-	474,665	18 702	656	-	-	4.32
Nov.	357,666	350,651	456,802	-	473,350	18 699	654	-	-	4.41
Dec.	348,589	341,406	441,642	-	462,764	19 693	637	-	-	4.47

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base